

# Banks Privatisation – Exposing the Ruling Class Policies

In 1969 government had nationalized the major private banks in India. About the public sector and nationalization of some sectors, Tarimela Nagi Reddy stated in his book "India Mortgaged" – "It must be stated, at the very outset, that the state sector is not a peculiar feature of the Indian acquisitive society. Intervention by the state in the product process of a country is a common characteristic of all capitalist countries. As a matter of fact, this has become absolutely necessary to preserve and strengthen capitalism itself. In the process, Britain had to nationalize its coal and steel industry. "Galbraith, the ambassador of the US in India, has written that the public sector in America is very much larger than in India. Therefore, the growth of the public sector by itself does not denote progressive nature of any state".

The little interests gotten by people by this nationalization of banks are being unaffordable through the privatisation of the public sector banks as a part of the liberalization, globalization and privatisation policies of imperialists.

Public sector banks are gradually being sold. Here is the list of public sector banks that are likely to be privatised. They are 1) UCO 2) IOB 3) Central Bank 4) Bank of Maharashtra 5) Punjab and Sind Bank 6) Bank of India..

A high level panel headed by a Cabinet Secretary held a meeting to eliminate regulatory, administrative issues to privatise public sector banks on 24<sup>th</sup> June 2021. There is an opportunity to privatise two banks i.e. Central Bank of India and Indian Overseas Bank as suggested by the concerned authorities.

In this financial year the Central government announced in the budget that including the shares of one insurance company – two public sector banks, public sector companies and financial organisations would be sold to mobilize Rs. 1.75 lakh crores. Last year, 10 public sector banks were amalgamated as four by the government. For the last four years 14 public sector banks were amalgamated by the government. It resulted in reducing total public sector banks from 27 to 12.

Since 1991, several committees set up by government have been opposing to reduce the number of public sector banks. Actually every year, public sector banks are making profits, but by escaping arrears and non-performing assets (NPAs) they are making losses.

But the Central government in the name of public sector banks are failing in collecting arrears (loans), is taking steps to privatise public sector banks.

The Union Cabinet Chaired by Prime Minister Modi has approved the 100 percent foreign direct investment in the equity of oil companies of public sector on 22<sup>nd</sup>, July 2021.

Amendment bill of General Insurance Companies Privatisation was approved in the Rajya Sabha on 12-08-2021.

“After the interruptions caused by Covid, privatisation process would be hastened up,” Tuhin Kantha Pandey, the Secretary of the Department of Investments and Public Properties Management (DIPAM) stated on 11<sup>th</sup> August 2021. Air India, BPCL, Shipping Corporation, Pawan Hans, BEML, Neelachal Aspat are there in the list of privatisation of organisations. “Before the end of this financial year, the public issue of LIC would also be completed”, he also said in the CII annual meeting. Moreover National Roads, Power Grid Pipe Lines, Rs. 6 lakh crores of infra assets would also be changed into cash.

Five year plans, mixed economy, socialist pattern of society, public sector and nationalisation these are the steps taken by pro-bourgeoisie and feudal governments to cover up their failures. They are gradually exposing their policies themselves by implementing the policies like privatisation of public sector companies, banks, financial organisations etc. People must fight against these anti-people policies.